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U.S. House of Representatives

COMMITTEE ON ARMED SERVICES

Washington, D.C. 20515

NINETY-FIRST CONGRESS

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December 31, 1970

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Mr. Robert E. Hampton, Chairman
 Civil Service Commission
 1900 E Street, N.W.
 Washington, D. C. 20415

Dear Mr. Chairman:

It is my understanding that some question has arisen in your office concerning the legislative intent of the Congress on recent changes made to the Central Intelligence Agency Retirement Act (50 U.S.C. 403) as contained in S. 4571.

To avoid any question whether the amendment to subsection (c)(1) of section 252 of the Central Intelligence Agency Retirement Act (50 U.S.C. 403 note) as contained in S. 4571 of the 91st Congress was intended to cover past Government contributions of all present participants and former participants in the Central Intelligence Agency Retirement and Disability System, I consider it pertinent to provide you with additional information on this subject.

In the hearings conducted by this Committee on a similar legislative proposal (H.R. 16306 of the 89th Congress which was passed by the House but not acted upon by the Senate) and on the present bill it was the understanding of this Committee that the section authorizing automatic transfer of employee and employer contributions would include all past Government contributions for present and former participants. Thus, the objective would be attained of assuring that the retirement fund incurring the potential or actual liability for the payment of benefits would also be in receipt of all contributions made by or on behalf of the employee so covered.

Mr. Robert E. Hampton

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This is made explicit in the testimony given to this Committee that the enactment of this provision would add about \$33 million to the CIA Retirement Fund representing all of the accumulated prior Government contributions made on behalf of employees who have transferred from the Civil Service retirement system to the Central Intelligence Agency Retirement and Disability System.

Sincerely,

Philip J. Philbin
Chairman

PJP:fse

Floor Statement for Mr. Philbin on S. 4571

A bill "To amend the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended, and for other purposes."

Mr. Speaker:

CONFERENCE

The ~~House~~ recently passed S. 4571, a bill amending the Central Intelligence Agency Retirement Act of 1964.

The purpose of the bill was essentially to provide Central Intelligence retirees with the same benefits recently provided Civil Service retirees.

However, included in the legislation was a provision which authorized the Civil Service Commission to transfer to the CIA retirement fund all Government contributions previously accumulated in the Civil Service retirement fund when an employee of the Civil Service transferred into the Agency's retirement system.

The purpose of this authorization was to insure the actuarial soundness of the CIA retirement fund. Testimony developed by the Committee indicated that execution of this authority would result in the transfer of approximately

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\$33 million from the Civil Service retirement fund to the CIA retirement fund. This sum would have represented past Government contributions for all Agency employees transferred to the CIA retirement system since 1964.

I am now advised that some staff people on the Civil Service Commission have questioned legislative intent in this regard. I am therefore making this statement to erase any doubt in the minds of any responsible authority as to the legislative intent of the Congress in this regard.

I trust that this will take care of the problem.